

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE PROVISION)	
OF STANDARD OFFER SUPPLY TO)	
RETAIL CONSUMERS IN THE SERVICE)	
TERRITORY OF DELMARVA POWER &)	PSC DOCKET NO. 18-0179
LIGHT COMPANY (FILED MARCH)	
22, 2018))	

ORDER NO. 9346

AND NOW, this 5th day of March 2019, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on March 22, 2018, Delmarva Power & Light Company ("Delmarva") filed revised electric tariffs reflecting revised Standard Offer Service ("SOS") rates, a revised Procurement Cost Adjustment (the "PCA"), and a revised Reasonable Allowance for Retail Margin ("RARM") with an effective date of June 1, 2018, with proration (the "2018 SOS-PCA-RARM Filing");¹ and

WHEREAS, on April 24, 2018, the Commission adopted Order No. 9205, which approved the proposed tariff rates included in the 2018 SOS-PCA-RARM Filing on a temporary basis, subject to refund; and

WHEREAS, pursuant to Order No. 9205, Delmarva published public notice on May 3, 2018 and May 4, 2018, in the *Delaware State News* and the *News Journal*, respectively, of the SOS-PCA-RARM Filing and the Commission-ordered deadline of June 29, 2018 to file comments or objections or to file petitions to intervene; and

¹ The 2018 SOS-PCA-RARM Filing includes information required pursuant to several Commission Orders, including Order No. 6746 (October 30, 2009), Order No. 7162 (April 27, 2007), Order No. 8258 (April 13, 2012), Order No. 8144 (May 15, 2012), Order No. 8093 (December 20, 2011) and Order NO. 8450 (September 10, 2013).

WHEREAS, there were no petitions to intervene or objections or comments with respect to the 2018 SOS-PCA-RARM Filing; and

WHEREAS, on April 10, 2018 Delmarva filed work-papers supporting the proposed electric tariff changes and bill impact information which reflected a proposed monthly decrease of \$4.93² (or a decrease of 4.16%) for a residential customer using 840 kWh per month on an annual average basis; and

WHEREAS, on April 10, 2018 Delmarva filed work-papers supporting the results of the RARM factor on an actual basis for the RARM reporting year ending December 31, 2017, which reflected that the total RARM rate for fixed price customers decreased by 19.61% from the RARM rate currently in effect. Therefore, a new RARM rate would go in effect June 1, 2018;³ and

WHEREAS, Staff met with Delmarva in one workshop to review the 2018 SOS-PCA-RARM Filing and all related work papers; and

WHEREAS, in late 2017 and early 2018, Delmarva conducted its thirteenth annual SOS procurement for supply contracts commencing on June 1, 2018, using a Commission-approved reverse auction process;⁴ and

WHEREAS, Staff published notice on February 7, 2019 in the *News Journal* and the *Delaware State News* of the evidentiary hearing to be held on March 5, 2019; and

²This does not include the RPS Charge or the Qualified Fuel Cell Provider Renewable Charge ("QFCP-RC") or any changes in distribution rates.

³See PSC Docket No. 09-9 (the "RARM Settlement") which provides that where the change in the total RARM rate exceeds +/-5.25%, Delmarva is required to submit a formal filing for the Commission's review.

⁴See Order No. 6746 (September 1, 2005) for background on the original auction process. See Order No. 7461 (October 7, 2008) for background on the revised, reverse auction process.

WHEREAS, the Commission held the noticed evidentiary hearing on March 5, 2019, at which Staff and Delmarva presented witnesses who testified that the 2018 SOS-PCA-RARM Filing, all related work-papers, and proposed rates and tariff changes comply with previous Commission orders, comport with the bidding results reflected in Liberty Consulting Group, Inc.'s Technical Consultant's Final Report to the Delaware Public Service Commission titled "Delmarva Power & Light's 2018 Request for Proposals for Full Requirements Wholesale Electric Supply for Standard Offer Service" dated February 22, 2018, and reflect the total supply costs for which Delmarva requested recovery; and

WHEREAS, \$63,015.63 in adjustments⁵ will be added to the Transmission Cost Recovery section of the Hourly Price Service (HPS) PCA calculation for 2018 to address the reallocation of 2017 HPS revenues; and

WHEREAS, \$12,993.18 in RARM interest adjustments⁵ will be reflected in the 2019 SOS-PCA-RARM Filing; and

WHEREAS, the sum of the adjustments⁵ to the HPS RARM due to the reallocation of 2017 HPS revenues, result in a net under-collection of \$4,474.63 and will be applied to the HPS RARM part of the 2019 SOS-PCA-RARM Filing; and

WHEREAS, subject to the necessary adjustments in the 2019 SOS-PCA-RARM Filing as stated above, Staff recommends final approval of Delmarva's proposed tariff revisions as set forth in the 2018 SOS-PCA-RARM Filing for the period June 1, 2018, through May 31, 2019;

⁵See Staff Memo dated February 15, 2019 in Docket No. 18-0179.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE
AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Delmarva shall reflect the adjustments discussed in the body of this Order in its 2019 SOS-PCA-RARM Filing.

2. The proposed rates and tariff changes included in the 2018 SOS-PCA-RARM Filing with an effective date of June 1, 2018, for the period ending May 31, 2019, are approved on a final basis.

3. The Commission reserves jurisdiction and authority to enter such further Orders in this matter as may be necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary